Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

A-Cap Energy Limited

ABN	Quarter ended ("current quarter")
28 104 028 542	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(29)	(29)
	(e) administration and corporate costs	(118)	(118)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(124)	(124)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(271)**	**(271)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(55)	(55)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	10	10
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(45)**	**(45)**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	357	357
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**357**	**357**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	282	282
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(271)	(271)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45)	(45)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	357	357

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	**Cash and cash equivalents at end of period**	**322**	**322**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	322	282
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**322**	**282**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	8,589	8,472
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	8,589	8,472

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

ICBC Revolving credit facility US$5 million (A$ equivalent $7.03 million as at 30 September 2020)

Initial drawdown Amount – US$3 million, Loan Term – 3 years (36 months from withdrawal date 24 Oct-18);

i. Loan Purpose – Working Capital, Interest rate – LIBOR 6 Monthly Interest Rate plus 1.8%;

ii. Penalty Interest Rate – the overdue penalty rate is 40% above the Borrowing Rate; the interest rate applicable for changing the purpose of the loan is 70% above the Borrowing Rate;

iii. Interest Payment – 6 months in Advance;

iv. Loan Repayment – By One Payment at any time during the Loan Term or in accordance with the Loan Amortisation Schedule – US$100,000 by 20 December 2020 and US$2,900,000 by 16 October 2021. In the event the Loan is repaid early, a 1% early repayment fee shall apply for each month remaining on the Loan unless the loan is repaid during the last month of the Loan Term;

v. Loan Guarantor – Third Party Cash Collateralised Bank Guarantee to ICBC provided by Jiangsu Shengan Resources to the amount of US$3 million.

Subsequent drawdown amount – US$2 million, Loan Term – 3 years (36 months from withdrawal date 19 Feb-19)

vi. Loan Purpose – Working Capital, Interest rate – LIBOR 6 Monthly Interest Rate plus 2.0%;

vii. Penalty Interest Rate – the overdue penalty rate is 40% above the Borrowing Rate; the interest rate applicable for changing the purpose of the loan is 70% above the Borrowing Rate;

viii. Interest Payment – 6 months in Advance;

ix. Loan Repayment – By One Payment at any time during the Loan Term or in accordance with the Loan Amortisation Schedule – US$100,000 by 10 November 2021 and US$1,900,000 by 12 February 2022. In the event the Loan is repaid early, a 1% early repayment fee shall apply for each month remaining on the Loan unless the loan is repaid during the last month of the Loan Term;

x. Loan Guarantor – Third Party Cash Collateralised Bank Guarantee to ICBC provided by Jiangsu Shengan Resources to the amount of US$2 million.

Working capital loan (Mr Angang Shen) - A$500,000

i. Commitment A$500,000

ii. Interest Rate 10% p.a.

iii. Repayment date 28 March 2021 of principal sum and accrued interest in cash;

Working capital loan (Mr Angang Shen) - A$200,000

i. Commitment A$200,000

ii. Interest Rate 10% p.a.

iii. Repayment date 25 September 2021 of principal sum and accrued interest in cash

Working capital loan (Singapore Shenke International Investment Pte Ltd) – A$500,000

i. Commitment A$500,000

ii. Interest Rate 10% p.a.

iii. Repayment date 7 January 2021 of principal sum and accrued interest in cash

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Working capital loan (Singapore Shenke International Investment Pte Ltd) – A$100,000

iv. Commitment A$100,000
v. Interest Rate 10% p.a.
vi. Repayment date 22 July 2021 of principal sum and accrued interest in cash

Working capital loan (Singapore Shenke International Investment Pte Ltd) – US$100,000

i. Commitment US$100,000
ii. Interest Rate 10% p.a.
iii. Repayment date 28 August 2021 of principal sum and accrued interest in cash

Working capital loan (Singapore Shenke International Investment Pte Ltd) – A$120,000

i. Commitment A$100,000
ii. Interest Rate 10% p.a.
iii. Repayment date 28 September 2021 of principal sum and accrued interest in cash

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(271)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(55)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(326)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	322
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	322
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company is considering a number of options including debt or equity that will allow the Company to continue beyond the next two quarters. The Board is comfortable that these funds will be made available shortly.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes – conditional on the result of 2 above.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by: By the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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